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DATE: March 28, 1978

TO: Mayor Jennings and City Council

FROM: City Manager

SUBJECT: Jarvis Impacts on Municipal Programs

This report is in the nature of a preliminary information presentation and will be subsequently updated and detailed as a part of the overall operating budget development. There are two principal approaches for dealing with the eventuality of passage of the Jarvis Amendment (State Constitutional Amendment #13); (1) the reduction of services to meet the loss of revenue and (2) the replacement of revenues through other means of taxation.

Under the first option, that of reducing the levels of service, could involve the following which are presented on a department by department basis: These are not meant to be final recommendations but are presented for information purposes at this time so that further councilmanic and public consideration can be devoted to them.

It would appear that passage of the Jarvis Amendment would mean a reduction of at least 2-1/2 Million Dollars in the Municipal Budget. There are many ambiguous provisions in the Jarvis Amendment and the approach taken in this preliminary report is to assume that the City would continue to receive an amount of property taxation as permitted by the Jarvis Amendment.

In addition, this preliminary report takes the approach that services of the least priority could be either completely eliminated or greatly reduced and those of the highest priority would be reduced as little as possible rather than taking an across-the-board percentage decrease of all services. It is felt that this would be the most responsible way to react to this major reduction in municipal revenues.

PUBLIC WORKS DEPARTMENT. Among those services that would be greatly curtailed in the Public Works Department would be the following:

1. Street striping, street reflectors and pavement markings.
2. All tree programs including trimming, planting, removal and pruning.
3. Street name signs.

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4. Alley and parking lot maintenance.
5. Among services and activities which may be recommended for elimination would include:
 - a. Graffiti removal.
 - b. Street sweeping.
 - c. Pest control.
 - d. Crack sealing.
 - e. Placing of banners, flags, and additional services provided for parades and gatherings.
 - f. Rose Float.

The services which would be continued in the Public Works and Community Development Departments would be largely those which would be found in a more rural community and all program levels would be reduced to a minimum level.

COMMUNITY DEVELOPMENT DEPARTMENT (Building, Planning, Engineering).

Generally all activity would be curtailed to a level which would be absolutely necessary for the continuance of mandatory type services. Those which would be greatly curtailed would be:

- a. All environmental sanitation type.
- b. Various planning activities including certain reductions in the level of implementation of the General Plan.
- c. Various Engineering activities in general. Community Development Department activities would be staffed to meet obligatory mandates and there would be no provision for any systematic type programs. All activities would be geared to crisis - major complaint responses.

Total reductions in the Public Works and Community Development Departments would amount to approximately \$655,000. on the current year's budget following the above guidelines.

LIBRARY. The major effort in this service would be to maintain a quality Library but with limited access and provision of only major, core-type activities.

1. Revert to a 40-hour week (now 77-hour).
2. Eliminate audio-visual services and programs, special programs (such as reading programs), and reserve book and inter-Library loan services.
3. Relinquish our status as a depository for U.S. Government publications.

Total cost reduction for the Library; approximately \$200,000.

FIRE DEPARTMENT. The major problem in any reductions in the Fire Department is the potential impact on life safety and upon the increases in fire insurance which would in effect, more than offset any property tax reduction. Also reductions in fire

manning necessarily results in an increase in fire response time and the problems are obvious here that cost reductions ad judged by the Municipal Budget are more than offset by private losses. They appear to be the typical case of the question not being what can be afforded; but how much loss could we stand. Possible reductions could include:

1. Closing out of one fire company.
2. Curtailment of fire prevention activities.
3. Cancellation of the paramedic program or putting it on a partial self-sustaining basis.
4. Reduction in all supplemental fire services (premises clean-up, water vacuuming, etc.).


Under these guidelines, the possible cost reduction would be approximately \$600,000.

FINANCE DEPARTMENT. It would be extremely difficult to make any significant reduction in operations in the Finance Department. This department is already understaffed and the nature of the staff services would be required as long as there is a municipal operation. Minimal reductions amounting to \$10,000 to \$15,000 may be possible.

CITY CLERK'S OFFICE. The same general comment can be made about the City Clerk's office although certain records control activities including microfilming could be eliminated although the overall city-wide impact and the long range efficiency reductions would probably more than offset any gains which could be made. Possible reductions would be approximately \$20,000.

POLICE DEPARTMENT. Here once again, activity reduction or elimination is extremely difficult and hazardous. Any elimination of service would be fraught with dilemmas. Direct public costs in terms of the Municipal Budget may be reduced; but indirect public costs would most likely increase and exceed those reductions. In addition, there would be the additional public exposure to liability and to the gradual degradation of the City as a safe, enjoyable place in which to live. Reductions in various technical, preventative and educational type programs and the reductions in certain field operations could result in approximately \$450,000 total reductions.

PARKS AND RECREATION. A number of the Parks services could be re-designed particularly in the recreation field to be continued on a self-sustaining basis. Their elimination from the Municipal Budget, together with some reduction in park maintenance would be the main thrust of reductions in this department. The Municipal Theatre could be closed except for fully reimbursed activity and some consolidation of maintenance activity could be made with the Public Works Department. Approximate reductions: \$275,000.



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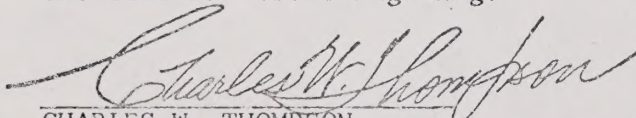
OTHER SERVICES AND ACTIVITIES. With regard to all other activities including general maintenance and other staff services, the approach would be to eliminate or reduce all activities in general including a reduction or elimination of any special program for emergency preparedness, a deferrment or elimination of general maintenance and reduction or elimination of the services to other agencies. Possible reductions of \$50,000 could result.

Under these guidelines, the total reductions would amount to approximately \$2,265,000 which is still approximately 1/4 of a million dollars under the potential loss under the Jarvis Amendment. However, with the elimination or reduction as indicated, there would undoubtedly be other reductions in so-called fringe items which would help to make up this deficit.

The second approach is that of increasing revenues to offset losses occasioned by the Jarvis Amendment and there are several options which could be evaluated. The major sources of revenue which may be available to the City as a chartered city would be:

1. A utility user's tax.
2. A major increase in the business license fees.
3. A city payroll tax.
4. A property transfer tax.

There are a number of minor sources of revenue which could be investigated including an increase in the residential refuse collection, franchise, institution of a commercial refuse collector's franchise, a sewer service charge, the increase in various permits and charges, the assessment of property owners for all curb, gutter and sidewalk repairs, the imposition of an industrial waste inspection fee, an increase in building and engineering permits, and the assessment city-wide for the cost of street lighting.


CHARLES W. THOMPSON

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